

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7939

BILL NUMBER: HB 1733

DATE PREPARED: Jan 10, 2001

BILL AMENDED:

SUBJECT: Life Insurance Coverage of a Minor.

FISCAL ANALYST: Jim Landers

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: The bill defines "minor" as an individual who is less than 17 years of age. The bill provides that the beneficiary of an insurance policy that insures the life of a minor must have an insurable interest in the life of the minor. The bill prohibits an insurer from knowingly issuing or delivering an insurance policy that insures the life of a minor if the policy, together with any other life insurance policy, will insure the minor's life for more than \$20,000, unless the insurer files a form with the Department of Insurance that specifies the reason for insuring the life of the minor for a higher amount.

Effective Date: July 1, 2001.

Explanation of State Expenditures: The bill could potentially have an impact on the Department of Insurance relating to the administration of this bill, including the creation and distribution of a form for insurers to file when a person insures the life of a minor for more than \$20,000.

Explanation of State Revenues: The bill could potentially have an impact on revenues from the Insurance Premium Tax depending upon the extent to which the limitation on children's life insurance coverage decreases gross premiums of life insurance companies. However, the impact is expected to be minimal.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Insurance.

Local Agencies Affected:

Information Sources: